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Supreme Court of the United States

October Term, 1945.

No. 432

KASTAR, INCORPORATED,
Petitioner,

vs.

HELEN S. CLAIR and JOHN H. LANE, copartners doing business under the name and style of ANTI-SHIMMIE MANUFACTURING COMPANY,
Respondents.

Petition for Writ of Certiorari to the Circuit Court of of Appeals for the Second Circuit and Brief in Support Thereof.

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Counsel for Petitioner.

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IN THE

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OCTOBER TERM 1945.

KASTAR, INCORPORATED, *Petitioner,* vs. HELEN S. CLAIR and JOHN H. LANE, copartners doing business under the name and style of THE ANTI-SHIMMIE MANUFACTURING COMPANY, *Respondents.*	No. .....

PETITION FOR WRIT OF CERTIORARI.

To the Honorable, the Chief Justice and the Associate Justices of the Supreme Court of the United States:

Your petitioner respectfully prays that a writ of Certiorari be issued to review the decision of the United States Circuit Court of Appeals for the Second Circuit rendered April 6, 1945, reversing a judgment of the United States District Court for the Southern District of New York rendered November 10, 1944.

A petition for rehearing by said Circuit Court of Appeals was duly presented and was denied on April 25, 1945 (R. 184).

A certified transcript of the record of the case, including the proceedings in the Circuit Court of Appeals, is furnished herewith.

Summary Statement of Matter Involved.

The issues on this petition relate primarily to the legal question of validity of Campbell patent No. 1,577,821, issued March 23, 1926, in view of failure promptly to disclaim judicially invalidated claims or to re-litigate them, and to the construction and scope of the Disclaimer Statutes and of certain decisions of this Court relating thereto.

In a suit brought in 1933 against another defendant (Western Auto Supply Co.), not in privity with petitioner, for infringement of the said Campbell patent, and also on a certain Dyer patent, not herein involved, in the United States District Court for the Eastern District of Missouri, Judge Collet held all the claims of the Campbell patent invalid and void, but held the Dyer patent valid and infringed (35 USPQ 324, 542, not elsewhere reported). Both parties appealed to the Circuit Court of Appeals for the Eighth Circuit, but subsequently stipulated that both appeals be dismissed, and on April 19, 1939, the Circuit Court of Appeals issued a mandate (106 F. [2] 1022) dismissing both appeals.

Thereafter, in June and July of 1939, respondents brought actions, later consolidated, in the same Missouri District Court for infringement of the Campbell patent (also the Dyer patent) against Sears Roebuck & Co. and Montgomery Ward & Co., petitioner's customers, declaring on all three claims of the Campbell patent, and petitioner took over the defense of both actions. Respondents, by bill of particulars, put in issue only claim 2 in such action and only claim 2 was tried. District Judge Otis held claim 2 valid and infringed (36 F. Supp. 664). On December 1, 1941, the Circuit Court of Appeals for the Eighth Circuit affirmed the decree below, emphasizing that only claim 2 was involved (123 F. [2] 878). The mandate was issued on January 26, 1942.

On December 30, 1942, the present action was filed in the District Court for the Southern District of New York. In the intervening eleven months following the mandate of January 26, 1942, no disclaimer of invalidated claims 1 and 3 was filed, nor was one filed up to the expiration of the patent on March 23, 1943.

The present complaint declared on all three claims of the patent (R. 4). The accused devices are the same as in the actions before Judge Otis. Respondents, abandoning claims 1 and 3, brought a motion for summary judgment on claim 2 only, on the ground of *res judicata,* which was granted. Respondents having thereby abandoned their opportunity to relitigate claims 1 and 3, petitioner filed a motion to dismiss on the ground that the patent was void for failure promptly to disclaim claims 1 and 3 after claim 2 alone was finally declared valid. This motion was denied. On appeal, the Circuit Court of Appeals for the Second Circuit reversed (138 F. [2] 828) (Appendix, p. 33), holding that the question of timely disclaimer was a proper issue and was not barred by *res judicata,* but holding that whether a disclaimer should have been filed depended upon whether the accused devices actually infringed claims 1 and 3. If they did, claims 1 and 3 should have been tried before Judge Otis, and respondents withdrew them at their peril; and that if they did not, no disclaimer was required nor were respondents under a burden of relitigating in the present action. The case was accordingly remanded to the District Court for trial of the issue of fact whether claims 1 and 3 were actually infringed.

The District Judge, declaring that he was using the same rules and measures for determining equivalence as were used by the Circuit Court of Appeals for the Eighth Circuit when it held claim 2 valid and infringed (the accused devices are quite different, in structure and mount-

ing and action, from those disclosed in the Campbell patent, as will be seen by comparing the patent [R. 114] with petitioner's structure [R. 132, 134, 124, 130]), held that claims 1 and 3 were infringed, and, following the direction of the Court of Appeals, dismissed the complaint for failure to disclaim.

On respondents' appeal, the Circuit Court of Appeals for the Second Circuit reversed the lower Court's finding of infringement and held in effect that there was no infringement of claims 1 and 3, and that accordingly respondents were not required to try such claims in the *Otis* actions (nor, presumably, in the present action) nor to disclaim.

The Questions Presented.

The questions presented for determination by this Court are:

1. What is the answer to the situation referred to but left unanswered by Mr. Justice Stone in footnote 3 to the opinion of this Court in *Triplett* v. *Lowell,* 297 U. S. 638, which by the facts of the present case is made a real and justiciable question? Stated concretely, where the owner of a patent containing judicially invalidated claims (never disclaimed) and also judicially validated claims again sues for infringement of the patent, must he not take that opportunity to re-litigate the validity of the invalidated claims, regardless of whether they are infringed or not by the devices which infringe the valid claims, in order to vindicate his failure to disclaim as required by *Ensten* v. *Simon, Ascher & Co.,* 282 U. S. 445, and fails to take such opportunity at the cost of his patent; and is not this penalty all the more deserved when, after refusal by the owner to try the invalidated claims, a district judge finds that they are in fact infringed by the accused devices?

2. Where a patent contains claims judicially declared valid and also claims judicially declared invalid, and more than eleven months after this status of the patent has been finally established in a prior suit against a manufacturer's customers, the owner files suit for infringement in another circuit against the manufacturer declaring on all of the claims, but thereafter moves for summary judgment only on the valid claim, has the patent-owner thereby abandoned the invalidated claims and rendered the patent void *ab initio* for failure promptly to disclaim or re-litigate?

3. Where all claims of a patent have been declared invalid by a District Court in a first suit in one judicial circuit while another patent (not here involved) is declared valid, and after both parties have appealed, they stipulate a dismissal of both appeals and the Circuit Court of Appeals for that circuit issues a mandate dismissing the appeals, and subsequently the patentee brings a second suit in the same circuit on all claims but puts to trial only one claim and that claim is held valid by the District Court, and on appeal, also by the Circuit Court of Appeals for that Circuit, does the patentee have a valid patent when he brings a third suit, this time in another judicial circuit, over eleven months after the decision of the Court of Appeals in the second suit, where there has been no disclaimer of the claims which still stand judicially invalidated?

4. Where the patentee in the situation set out in question 3 presumably has elected to re-litigate the invalidated claims by declaring on all of the claims in his third suit, does he later in that suit abandon the invalidated claims only at his peril, no disclaimer having been filed at any time?

5. Even if an opportunity to re-litigate can be presented only by the appearance of an infringement of in-

validated claims must not such claims be construed in the light of the same rules and measures as were used in determining the infringement of the validated claim by the same devices; and is it not error for the Court of Appeals of one circuit, after refusing to permit a trial *de novo* on the ground of *res judicata*, to support the validity and infringement of a validated claim on grounds different from those advanced by the Court of Appeals of another circuit in first holding such claim valid?

Reasons Relied on for Allowance of the Writ.

The discretionary power of this Court is invoked upon the following grounds:

1. That the decision of the Circuit Court of Appeals for the Second Circuit holding in effect that the owner of a patent containing previously invalidated and also validated claims is not required either to disclaim promptly or to re-litigate, in a later action, the validity of the invalidated claims unless they also are infringed by the accused devices, is directly opposed to and in conflict with the rules and principles embodied in a consistent line of decisions of this Court, as exemplified by *Ensten* v. *Simon, Ascher & Co.*, 282 U. S. 455, *Triplett* v. *Lowell*, 297 U. S. 638, and *Maytag* v. *Hurley*, 307 U. S. 243.

2. Because the precise question presented by the present case has never been passed on, but should be, by this Court and is posed, without being answered, in footnote 3 of the *Triplett* v. *Lowell* opinion.

3. Because the decision of the lower court restricts the scope of the decisions of this Court in the *Ensten*, *Triplett* and *Maytag* cases by holding that the requirement to re-litigate previously invalidated claims which have not

been disclaimed is avoided if in the next suit on the patent the invalidated claims are not infringed by the accused devices; and because the court below relieved respondents of the necessity for re-litigating despite the fact that the district judge held the accused devices to infringe the previously invalidated claims, showing that an opportunity to re-litigate validity was also present.

4. Because the decision whose review is sought will, if allowed to stand, introduce complexities and anomalies in the administration of the patent law and is contrary to the public interest, for it will put on a defendant the burden of showing that previously invalidated claims, not being re-litigated in the suit against him because not infringed by his devices, are actually infringed by the devices of third parties whom the patentee has declined to sue, and because the said decision has already produced in the present case the anomalous situation wherein, before the trial judge, plaintiffs urged that there was no infringement of claims 1 and 3 while defendant urged that there was infringement.

5. Because, contrary to the rules and principles enunciated by this Court in *Ensten*, the decision below will permit a patentee who knows that previously invalidated claims are actually invalid, to continue holding out such claims as valid and to profit indefinitely by such deception by simply avoiding bringing suit against any one infringing the invalidated claims, and will encourage understandings with such infringer whereby, for example, unreasonably high prices are maintained and others prevented from entering the field by threat of suit, all contrary to the public interest.

6. Because the rule established by the decision of the Circuit Court of Appeals for the Second Circuit in this

case introduces new uncertainty and complexity in the disclaimer law by reason of a misinterpretation of this Court's opinion in the *Triplett* case in emphasizing the question of infringement of the previously invalidated claims rather than their actual validity; and in misinterpreting the *Ensten* case in not requiring the patentee to take the first opportunity to re-validate previously invalidated claims to vindicate failure to disclaim.

7. Because in reversing the decision of the District Court holding claims 1 and 3 infringed and dismissing the complaint pursuant to the directions of the first decision of the Court of Appeals below in this case (R. 163), the Court of Appeals found it necessary to advance different grounds for sustaining the validity of claim 2 than were advanced by the Circuit Court of Appeals for the Eighth Circuit which first held claim 2 valid.

8. Because the decision whose review is here sought is in conflict with the disclaimer statute R. S. 4922 in ignoring the provision that "no patentee shall be entitled to the benefits of this section if he has unreasonably neglected or delayed to enter a disclaimer".

9. Because the case involves important questions of law arising under the patent statutes which should be settled by this Court.

WHEREFORE, your petitioner respectfully prays that a writ of certiorari be issued out of and under the seal of this Court directed to the United States Circuit Court of Appeals for the Second Circuit, commanding said Court to certify and send to this Court, on a date to be designated, a full and complete transcript of the record and all proceedings of said Circuit Court of Appeals had in this cause, to the end that this cause may be reviewed and de-

termined by this Court; that the judgment of the Circuit Court of Appeals be reversed; and that petitioner be granted such other and further relief as may seem just and proper.

Respectfully submitted,

KASTAR INCORPORATED,
Petitioner.

By ARMAND E. LACKENBACH,
Counsel for Petitioner.

JOSEPH HIRSCHMAN,
Of Counsel.

Dated: New York, N. Y.,
September 14, 1945.

I hereby certify that I have examined the foregoing petition, that in my opinion it is well founded in law and on fact and is entitled to the favorable consideration of the court, and that it is not filed for the purpose of delay.

ARMAND E. LACKENBACH,
Counsel for Petitioner.

BRIEF IN SUPPORT OF PETITION FOR CERTIORARI.

Opinions of the Courts Below.

The opinion of the District Court for the Southern District of New York herein is reported in 58 F. Supp. 378 (R. 136) and the opinion of the Circuit Court of Appeals for the Second Circuit in 148 F. (2) 644 (R. 163). The earlier opinion of the Circuit Court of Appeals herein is reported in 138 F. (2) 828 (Appendix, p. 33) while the opinion of the Circuit Court of Appeals for the Eighth Circuit is reported in 123 F (2) 878.

Jurisdiction.

The jurisdiction of this Court is invoked under Section 240 (a) of the Judicial Code as amended by the Act of February 13, 1925, c. 228 (28 U. S. Code, Sec. 347).

Petition for rehearing was denied on April 25, 1945 (R. 184).

The order for mandate was entered June 18, 1945 (R. 190).

Statement of the Case.

The essential facts of the case are stated in the accompanying petition for a writ of certiorari.

Specification of Errors.

The errors which petitioner will urge if the writ of certiorari is issued are that the Circuit Court of Appeals for the Second Circuit erred:

1. In holding that respondents' failure to disclaim previously invalidated claims when suit was brought more

than eleven months after the decision of the Circuit Court of Appeals for the Eighth Circuit holding only claim 2 valid, while claims 1 and 3 remained invalid and void by reason of an earlier decision, which failure to disclaim continued to the date of expiration of the patent (March 23, 1943), was excused by the fact that, according to the opinion of the court below, the invalidated claims were not infringed by petitioner's structures.

2. In holding that respondents were not required to try claims 1 and 3 despite the fact that the opinion of the District Judge herein holding such claims to be infringed by the same devices as were accused in the action before Judge Otis, showed that respondents could have had an adjudication on validity.

3. In construing claim 2 differently from the Circuit Court of Appeals for the Eighth Circuit and regarding as immaterial a limitation which the latter Court construed to be the only patentable difference over the prior art, and nevertheless holding petitioner-manufacturer bound by the decision in the Eighth Circuit and refusing petitioner a trial *de novo*.

4. In not holding the Campbell Patent No. 1,577,821 void when the present suit was brought for failure promptly to disclaim claims 1 and 3, or that it became void *ab initio* when respondents abandoned claims 1 and 3 and moved for summary judgment only on claim 2.

Argument.

Respondents can justify their failure to disclaim only by having the claims previously declared invalid later validated by a court of competent jurisdiction. They were under compulsion to put all of the invalidated claims in issue in the first suit after the status of the patent was by

judicial determination that of containing both valid and invalid claims. Failure to do that rendered their patent void.

When all the claims of the Campbell patent had been held invalid in the first suit, (against a different defendant), respondents were under no duty to disclaim. In their suit against petitioner's customers, respondents put only claim 2 in issue. Had this claim been declared invalid by the Court of Appeals for the Eighth Circuit, respondents again would have been under no burden to disclaim, and the Court of Appeals herein appreciated this fact in its first opinion (Appendix, p. 36). However, when the Court of Appeals for the Eighth Circuit finally declared claim 2 valid on December 1, 1941, that finally fixed the patent as containing one claim judicially declared valid and two claims judicially declared invalid. From that moment on, the time for disclaiming began to run against respondents.

However, respondents allowed more than eleven months to elapse before they brought the present suit and in that period, and subsequently, failed to avail themselves of the privilege allowed by the disclaimer statutes. The only thing that could then save their patent was to obtain a validation of claims 1 and 3 to justify their failure to disclaim. This they failed to do. Yet the decision below excuses such failure to act on the ground that although there was infringement of claim 2 in the present suit, there was no infringement of the previously invalidated claims.

We respectfully submit that the decision of the Court of Appeals is contrary to the principles and rules established by this Court in its most recent adjudications.

The Decision of the Court Below Excusing Failure Promptly to Disclaim or to Re-Litigate on the Ground that the Invalid Claims Were Not Infringed Is in Direct Conflict With Ensten v. Simon, Ascher & Co.

The Court of Appeals below sanctioned the refusal of respondents to re-litigate invalid claims 1 and 3 on the ground that, in its opinion, contradicting the decision of the District Court, such claims were not infringed by the accused devices, and hence respondents were under no duty to re-try their validity before Judge Otis.

(In view of the recognition by the Court below, in its first opinion in this case [Appendix, p. 35] of the rule that when all claims have been held invalid, there is nothing to disclaim, it would appear that the Court should have referred not to the *Otis* actions, but to the present action, which is the first in which the patent was sued on with valid and invalid claims.)

This exoneration of the patent owners who had continued to hold out the invalidated claims as valid up to the expiration of the patent is in direct conflict with the principles enunciated by this Court in *Ensten* v. *Simon, Ascher & Co.*, 282 U. S. 445.

In the cited case, an Ohio district court had held claim 2 of Ensten's patent invalid but other claims valid. The defendant appealed, but Ensten did not. After affirmance, and about two years after the district court's decree, Ensten disclaimed claim 2. Ensten sued again in the Ohio court, and the district judge dismissed the complaint because of unreasonable neglect and delay in disclaiming. The Court of Appeals reversed, holding the question of prompt disclaimer moot. Ensten then sued Simon, Ascher & Co. in New York. The District Court dismissed the action for failure promptly to disclaim, and the Court of Appeals for the Second Circuit affirmed.

This Court affirmed the invalidity of the patent and said (pp. 452, 453):

> "Construed together they [the disclaimer statutes] 'enact that where a patentee claims materially more than that which he was the first to invent, his patent is void, unless he has preserved the right to disclaim the surplus; and that he may fail to preserve that right, by unreasonable neglect or delay to enter a disclaimer in the Patent Office'.
>
> • • • • •
>
> "Unreasonable delay in disclaiming is thus tantamount to an original fraudulent claim, and through it the patentee loses the privilege of making the amendment by which alone his patent could be saved. The question of unreasonable delay is a question for the court, upon the facts as found either by its own investigation or the verdict of a jury.
>
> • • • • •
>
> "Under this view [of petitioners] a patentee having procured allowance of an invalid claim may hold it in the face of the public for years (here nearly two years) with large possible advantage to himself and much injury to others. By the assertion of his apparent monopoly he may deter others from legitimate action and seriously prejudice the public (see *Miller* v. *Brass Co.*, 104 U. S. 350, 355)."

That the patent owner is under a duty promptly either "to vindicate his position" or "to relieve the public from further evil effects of his false assertion" is emphasized in the following:

> "When a competent Court has declared his pretentions without sufficient foundation, we think good

> faith and the spirit of the enactment demand that he act with *such promptness* as the circumstances permit *either* to vindicate his position *or* to relieve the public from further evil effects of his false assertion. But for the benign provisions of the statute, such an assertion would invalidate the whole patent; and these provisions were intended to protect only those who by *prompt* action *either* seek to overturn an adverse ruling *or* retreat from a false position." (Emphasis added.)

In the cited case the plaintiff's failure to seek a review of invalid claims in issue was held to be fatal to the patent. If the same penalty does not follow here, confusion will result as to the force and effect of the *Ensten* case.

Contrary to the ruling of the court below herein, the decision in Ensten did not depend upon the question whether the invalidated claims actually were infringed. It was validity that had to be reviewed, and infringement was immaterial.

Quoting again from *Ensten* (p. 455):

> "He made no effort promptly to vindicate what he had asserted nor did he surrender it. Thus he failed to earn the offered exemption and now he may not complain."

The *Ensten* case was followed by this Court in *Altoona Public Theatres, Inc.* v. *American Tri-Ergon Corporation,* 294 U. S. 477, in which Mr. Justice Stone pointed out that

> "The settled rule that unreasonable delay in making a disclaimer invalidates the whole patent, *Ensten* v. *Simon Ascher & Co.,* 282 U. S. 445,

> 452-458; * * * rests upon the similar principle that misuse of the patent, or a part of it, by the patentee in such a manner as to mislead the public or operate to its detriment, deprives the claim of the benefit of the patent laws."

In *Radio Condenser Co.* v. *General Instrument Corp.* (C. C. A. 2) 65 F. (2) 458, the Court below, affirming the dismissal of a counterclaim for patent infringement for failure to file a prompt disclaimer, said:

> "The principle which the *Ensten* case applies is that a patentee who discovers that he has included in his claims something of which he was not the first inventor must either promptly pursue available remedies to vindicate his claimed monopoly or else surrender his pretensions. To do neither, to continue to hold his doubtful claim *in terrorem* over others, is an imposition upon the public and not permitted by the statute. When the patentee receives his warning from a competent official, whether it be by decision of a District Judge or of a Patent Office Examiner, he should be compelled to make good his claim or to renounce it."

This language is surprising because of its contrast to the position taken by the same court in the present case in which respondents were not required "either promptly [to] pursue available remedies to vindicate [their] claimed monopoly or else surrender [their] pretensions". Without a doubt respondents could have re-litigated the validity of claims 1 and 3 in the present action, especially as the district judge found infringement. The lower court's decision in the present case appears to be in conflict with its own position in the *Radio Condenser* case, and this further points up the confusion in this branch of

patent law which will result if the decision below is allowed to stand.

The decision of the Court of Appeals herein attaches to the phrase "promptly to vindicate" the qualification that, if in the later action the accused devices do not infringe the invalidated claims, the patentee need neither seek vindication nor be prompt about it. There is no justification for such qualification, and it contradicts the express meaning and effect of this Court's decisions.

The Present Case Falls Within the Situation Set Out in Footnote 3 to the Triplett v. Lowell Opinion on Which This Court Has Not Yet Ruled But Which This Court Should Settle.

In *Triplett* v. *Lowell,* 297 U. S. 638, this Court settled certain questions involving the scope and construction of the Disclaimer Statutes R. S. 4917 and 4922 (Appendix, p. 31), and held that R. S. 4922 did not bar a second suit on the invalidated claims of a patent containing also validated claims, but that if such invalidated claims on re-litigation were a second time adjudicated to be invalid, the patentee risked losing the good claims with the bad for failure promptly to disclaim. While this decision relaxed somewhat the rule established in the several Circuit Courts of Appeals requiring disclaimer within 30 or 60 days after invalidation of claims of a patent containing also valid claims, or after termination of the period for appeal, it admittedly did not rule on all aspects of the re-litigation question, but reserved an important and closely related question for the future.

This question is raised by Mr. Justice Stone in footnote 3 to *Triplett* in the following language:

> "3. We do not now determine the effect of the disclaimer statute when the second suit, either from choice or necessity, is confined to claims held valid

> or not adjudicated in the earlier action. Whether the claims previously held invalid should be deemed abandoned and properly subject to disclaimer would depend upon special circumstances and involve questions not presented in the present suit."

The situation presented by the present case is embraced by the footnote, with the damaging difference, however, that after declaring on the invalidated claims, and charging infringement and asserting validity, respondents subsequently refused to re-litigate them.

The present action being the first one in which the Campbell patent as declared on contained both validated and invalidated claims, respondents were bound according to *Triplett*, to re-litigate the invalid claims in the present action and their deliberate refusal to do so renders their patent void *ab initio*.

The holding of the court below that respondents were not required to re-litigate the invalid claims is directly opposed to the adjudication in *Triplett*.

That the views of this Court on the situation presented in footnote 3 are necessary to clarify *Triplett* and the disclaimer law generally, will be evident from *Messler* v. *United States Rubber Co.*, 53 F. Supp. 76 (D. C., D. Conn.) wherein the Court said:

> "*Triplett* v. *Lowell* leaves open the question of the effect of the disclaimer statute when the second suit is confined to claims held valid or not adjudicated in the earlier action."

It is significant that in the cited case the court permitted the plaintiff to amend his complaint and bill of particulars to put claim 2, previously held invalid and not put in issue in the pending action, in issue, to re-litigate its validity after the plaintiff had omitted it as one of the

claims in suit in his bill of particulars. Evidently, validity was to be tested even though there was no infringement. The Court of Appeals for the Second Circuit apparently evaded the question of disclaimer on the appeal in that case, for it affirmed the district court's holding of invalidity and non-infringement of the claims, but added (148 F. [2] 734, 737):

> "Inasmuch as what we have said must be determinative of the case at bar, we find it unnecessary to discuss the other questions argued on this appeal."

Throughout the *Triplett* opinion this Court emphasized that it is the validity of the previously invalidated claims which must be determined on the subsequent action before it can be ascertained whether the patent owner was justified in not disclaiming. There is not the slightest suggestion that the crucial question is infringement of such claims. The opinion states:

> "We conclude that neither the rules of the common law applicable to successive litigations concerning the same subject matter, nor the disclaimer statute, precludes re-litigation of the *validity* of a patent claim previously held invalid in a suit against a different defendant.
>
> "It follows that want of disclaimer of claims previously held invalid can never be set up as a bar *in limine* * * * since the patentee is entitled to invoke in that suit the independent judgment of the court upon the *validity* of the claims which have been held invalid. In advance of this decision as to *validity*, that court cannot consistently hold that there is necessity for disclaiming claims which, although previously adjudged invalid it may hold to be *valid* * * *.

> "The court whose jurisdiction is invoked by such a suit must determine for itself *validity* * * * If it determines that the claims previously adjudicated are *valid*, there is no occasion for disclaimer" (emphasis added).

Having declared, in their complaint, on claims 1 and 3, along with claim 2 (*i. e.* on the whole patent), respondents were duty bound to "proceed to re-litigate" such claims to establish their validity and thereby excuse their failure to disclaim. They could abandon claims 1 and 3 only at their peril. Yet this is exactly what they did when they moved for summary judgment on the pleadings, in support of which they relied on the previous adjudication of validity of claim 2.

The *Triplett* opinion clearly differentiates a situation wherein the patent owner proceeds to re-litigate invalidated claims from one in which he abandons the invalidated claims. The opinion says (297 U. S. on p. 646):

> "A different question is presented where the claims adjudged invalid are abandoned, whether by a tardy disclaimer or otherwise, and a second suit is brought to restrain infringement of other claims, see *Ensten* v. *Simon Ascher & Co.*, * * *."

We believe that the above quotation gives a clue to the answer to footnote 3. Respondents abandoned claims 1 and 3, not by disclaimer, but "otherwise", and the lower court, pursuant to the above intimation, should have declared the patent void.

Respondents had their second chance to re-litigate claims 1 and 3 in the present case, and abandoned it. *Triplett* does not give a patentee the right to evade re-litigation, nor does it give him an indefinite period of grace until he finds an infringer who will be held to be an infringer by a Circuit Court of Appeals, and not merely

by a district court. If he has an opportunity to re-litigate the valid claims, he must re-litigate also the invalid ones to justify holding them out to the public as valid and establish that this was not a fraud and a deceit on the public.

There is no authority or precedent for the lower court's imposing the condition that, once a patent contains both validated and invalidated claims, the latter claims must be infringed before they can be required to be re-litigated. No authority was cited by the court below.

We accordingly submit that the only interpretation that can be given the *Triplett* case and the only answer which can be given to footnote 3 which are consistent with the disclaimer statute, with the *Ensten* case and with other cases decided by this Court prescribing prompt disclaimer to save a patent claiming more than that of which the patentee was the first inventor, are that the patentee has the choice either of disclaiming promptly or of re-litigating at the first opportunity. If he does not find an infringer of his invalidated claims, in many instances because competitors are frightened away by such claims, but only of the validated claims, he is certainly not to be rewarded by having the operation of the common law rule that his patent is void, suspended indefinitely. To permit the view of the lower court to stand will reward those who flout the statute and introduce uncertainty as to its meaning and scope.

The Decision of the Court Below Cannot Be Reconciled With the Maytag Case.

Maytag Company v. *Hurley Machine Co.*, 307 U. S. 243, goes even further than the *Triplett* case. In *Maytag* this Court even placed upon the patent owner the burden of disclaiming or re-litigating not only claims which previously had been held invalid, but also a claim which had

not been held invalid and was not even in suit, but which was not "defintely distinguishable from the parts claimed without right". At page 246 the opinion says:

> "If claim 39 [not in suit and never held invalid] describes the same method as claim 38 [previously held invalid] it follows that failure either to sue on 39 or to disclaim it along with 38 invalidates the patent."

Contrary to the position taken by the Court of Appeals herein, *Maytag* does not inquire into the question whether claim 39 was infringed or whether the plaintiff was justified in not suing on it. The opinion states unequivocally that the patent owner must either disclaim or re-litigate, and failure to do either is fatal.

At least to some extent the *Maytag* case may be said to answer footnote 3 to the *Triplett* opinion, and this answer is that the patent owner is not free to pick his time when to re-litigate. If he has not disclaimed promptly, he must on the next suit put the validity of the condemned claims in issue to vindicate his failure to disclaim. The insistence of the court below that infringement must first appear, and not merely to a district judge but to the Court of Appeals, not only finds no support in *Maytag* but directly contradicts such case.

Claims 1 and 3 of the present case are in an even worse position than claim 39 in *Maytag*. As to whether such claim 39 was or was not "definitely distinguishable" from a previously invalidated claim was a debatable point; but claims 1 and 3 in the present case had actually been judicially declared invalid. If claim 39 of *Maytag* fell within the *Triplett* rule requiring disclaimer or re-litigation, then certainly claims 1 and 3 herein fall within such rule.

The Decision of the Court of Appeals in This Case to the Effect That the Present Action Was Properly Brought and Can Be Maintained Despite the Prior Adjudication of Invalidity of Some of the Claims of the Patent and Failure to File Prompt Disclaimer Is Directly Opposed to the Express Provisions of R. S. Sec. 4922.

R. S. Sec. 4922 states unequivocally that no patentee shall be entitled to the benefits of the remedial provisions of Secs. 4917 and 4922 nor be permitted to

> "maintain a suit at law or in equity, for the infringement of any part thereof, which was *bona fide his* own * * * if he has unreasonably neglected or delayed to enter a disclaimer."

The present action was begun long after the time for prompt disclaimer had passed, following the decree of the Circuit Court of Appeals for the Eighth Circuit. The decision of the lower court herein is directly contrary to the statute and establishes a rule in the Second Circuit, and a precedent in patent cases, in such direct conflict with the statute as to require review of the present case by this Court and the reversal thereof.

The Consequences of the Decision of the Court of Appeals Below Are Inequitable and Intolerable.

If the holding of the lower court that the owner of a patent containing both validated and invalidated claims need not re-litigate until he has found an infringer, is not reversed, it will produce consequences as inevitable as they are intolerable. Thus the decision below relieves a patentee who knows that the invalidated claims are actually invalid, of the necessity for bringing suit at any time against a competitor who infringes such claims, and the patentee thereby escapes a second holding of invalid-

ity which, according to the *Triplett* case, would cause him to lose the good claims along with the bad. If the patentee confines himself to suing competitors who infringe only his valid claims, he can, until the end of the patent term, continue holding out the invalid claims as valid and yet not be subject to attack by a defendant who infringes only the valid claims.

Still another consequence of the decision below is that of placing upon a defendant who infringes only the valid claims, the burden of showing that competing devices of third parties are actually on the market which infringe the invalid claims and that the patentee has failed to re-litigate. This would be an unfair burden on the defendant and also on the courts because, on the one hand, the defendant would have to assume the role of the patent owner and look about for infringements of the invalid claims to establish failure to seize promptly an opportunity to re-litigate; and on the other hand, it is easily conceivable that a defendant will bring into court such third party infringements of the invalid claims and also devices of third parties whose infringement could not be determined except on a trial with testimony of experts. The courts would therefore be compelled to try devices on which the patentee had not sued, to determine whether he had taken the first opportunity to re-litigate.

A further consequence is the one which already has occurred in the present suit, involving the unnatural situation before the district judge in which plaintiffs sought to prove non-infringement and the defendant to prove infringement of claims 1 and 3.

It was not the intent of the disclaimer statutes to permit a patentee, whose patent has been judicially declared to contain both valid and invalid claims, to hold out the invalid claims to the public as valid *indefinitely*. To interpret the statutes otherwise would enable the patentee to frighten competitors out of the field with invalid claims

by threat of suit, and at the same time permit him to complain that he could not obtain a judicial re-determination because there were no infringers. The patentee would, therefore, be profiting by his own wrong.

According to the decision sought to be reviewed, the more effectively the patentee keeps from the public that to which they are entitled, the less liable is he to suffer the penalty for failure to disclaim invalid claims.

The Different Constructions Given to Claim 2 by the Circuit Courts of Appeals for the Eighth and Second Circuits Necessitate Review by This Court, as Does the Fact That the Court Below Went Outside Its Province in Modifying Claim 2 in the Absence of Trial of Such Claim.

In reversing the district judge's holding that claims 1 and 3 were infringed by the accused devices, the court below found it necessary to re-interpret the claims, particularly claim 2, and treat the matter as if there had occurred that trial on the merits which the court had previously refused to grant on the ground of *res judicata*. This placed petitioner at a decided disadvantage, because it had no opportunity to present the prior art and show how the claims must be construed in the light of such art.

Moreover, the court below gave claim 2 a meaning quite different from that given it by the Circuit Court of Appeals for the Eighth Circuit which first held the claim valid. It took the position that the word "uniform" in claim 2 means "constant", and on page 646 of its opinion (R. 163, 165) (148 F. [2] 644), referring to the "uniform pressure" of claim 2 of the patent (R. 114), said:

> "The Eighth Circuit also held that the pressure of the spring in Exhibit No. 73 was 'uniform', apparently on the theory that it was a constant pressure. Again, this was right, for the word, 'uni-

> form,' was used as an equivalent of 'constant,' as appears from the specification (p. 1, line 84). Moreover, the springs in the Campbell patent did not themselves exert a 'uniform', if by that is meant an unvarying, pressure."

Again referring to the "uniform pressure", the court below went on to say that it

> "really added nothing because it was inevitable in any 'stabilizer' of the spring type."

This construction is exactly the reverse of that of the Circuit Court of Appeals for the Eighth Circuit, 123 F. (2) 878, which stressed the fact that the "uniform pressure" was a feature that distinguished the claim over the prior art. In the second column on page 880, the Eighth Circuit Court said:

> "It is true that neither Dyer nor Campbell was the first to conceive the idea that shimmy or wobble can be prevented by tightening the joints of the steering mechanism and holding the joints in that position by exerting pressure upon the ends of the steering arms. A similar principle was applied in the prior art [nine patents cited]. These patents have for their primary object the returning to and holding of the front wheels in a straight ahead position. Beale's device by holding the spring under tension *at all times,* is designed also 'to overcome undesirable looseness and wobbling of the front wheels of the vehicle'. The function of these prior art patents of returning the front wheels to a straight ahead position and holding the vehicle in a straight course is achieved by the application of springs to the steering arm so that tension initiated

by any turning movement of the vehicle *will exert an increasing pressure upon the arms.* To the extent that pressure is applied, all of these devices tend to tighten the joints and to overcome wobble or shimmy; but in all of them, except perhaps in Beale, *as pressure is increased upon one arm, it is relaxed upon the other. The novel feature of the Campbell patent,* and to some extent of Dyer, is that the slidable and frictional 'member' which engages the axle *maintains a constant and uniform pressure at all times upon both arms.* This feature both by the means employed and the function performed distinguishes the Campbell patent, and to some extent the Dyer patent, from the means employed and the functions performed by the prior art patents referred to above." (Emphasis added.)

The view of the Court below that "uniform" and "constant" mean the same thing can not be true, for then the phrase "maintains a constant and uniform pressure at all times upon both arms" would be doubly redundant since "constant" and "uniform" would then both mean "at all times". We respectfully call the Court's attention to the criticism of the prior art embodied in the above quotation to the effect that the known devices "will exert *increasing* pressure upon the arms", and that "as pressure is *increased* upon one arm, it is *relaxed* upon the other". We submit that these criticisms are in antithesis of what immediately follows with reference to the Campbell patent, which the Circuit Court of Appeals for the Eighth Circuit described as, contrary to the known devices, having not merely a "constant" but a "uniform" pressure, *i. e.,* the pressure is the *same* at all times in addition to being exerted at all times.

We submit further that if claim 2 is given the broader interpretation that the lower court's opinion gives it, then

the claim loses what the Eighth Circuit Court of Appeals held to be "The novel feature of the Campbell patent". We submit that claim 2 can not both be given an interpretation, as the Court has done, which supports a holding that the Eighth Circuit Court of Appeals did not have to resort to equivalents or to ignore limitations to make claim 2 read on the accused devices, and at the same time be held valid over the prior art as evaluated in the above quotation.

It is plain that in attempting to contradict the view of the district judge below that equivalents and other modifications had to be read into claim 2 to make it read on the accused devices, and that consequently he was justified in reading similar modifications into claims 1 and 3 which resulted in their being infringed by said devices, the Court of Appeals below found it necessary to remove the limitation to "constant pressure" which the Court of Appeals for the Eighth Circuit regarded as the sole novel feature of claim 2, and thereby construed claim 2 so broadly as to render it invalid over the art discussed in the opinion of the Eighth Circuit Court of Appeals.

The court below has also misinterpreted the specification of the Campbell patent. After describing only part of the structure of Figs. 1, 2 and 3, the patent describes such structure, on page 1, line 84, as exerting "a constant pressure against the outer end of the connecting rod 4". However, after describing additional structure the patent says on page 1, lines 95 to 99:

> "By means of this construction, the spring forms means for affording a substantially uniform resistance against movement of the connecting rod 4 and spindle arms 3 in either direction."

It is evident that lines 84 and 96 refer to different structural aggregations and to different actions of the

spring. If the word "uniform" meant only constant, there was no reason for qualifying it by "substantially" in line 96, for there is no qualification in line 84. Obviously it is easy to obtain a constant or continuous pressure, but it is not so easy to obtain a uniform or unvarying pressure, and hence the hedging word "substantially".

The foregoing shows that the opinions of the two Circuit Courts of Appeal are contradictory, and this calls for review by this Court.

It may be that the court below was embarrassed by the fact that claim 2 defines only a single spring and that such single spring cannot produce unvarying pressure, something which the Court of Appeals for the Eighth Circuit overlooked when it held the claim valid, but that is no reason for ignoring the limitation in the claim. Where a patentee has inserted limiting words in a claim, he is bound by such limitations. When an applicant for a patent restricts a claim, he disclaims or abandons that which is outside the scope of his limitations. In *Exhibit Supply Co.* v. *Ace Patents Corp.*, 315 U. S. 126, this Court said, referring to the interpretation of a phrase substituted for a former phrase in a claim:

> "The difference which he thus disclaimed must be regarded as material, and since the amendment operates as a disclaimer of that difference it must be strictly construed against him. *Smith* v. *Magic City Kennel Club, supra,* 790 [282 U. S. 784]; *Shepard* v. *Carrigan,* 116 U. S. 593, 598; *Goodyear Dental Vulcanite Co.* v. *Davis,* 102 U. S. 222, 228."

As in *Altoona Publix Theater, Inc.* v. *American Tri-Ergon Corporation,* 294 U. S. 477, 487:

> "The patent thus upheld is one which was neither claimed nor granted."

The foregoing is believed to show also that the court below was also in error in applying the principle of *res judicata* and denying petitioner a trial on the merits because the legal issues here, including the interpretation of claim 2 and the question of the infringement of claims 1 and 3 by the accused devices are different from the legal issues in the Missouri Actions.

CONCLUSION.

It is respectfully urged that the writ of certiorari prayed for be granted.

Respectfully submitted,

ARMAND E. LACKENBACH,
Counsel for Petitioner.

JOSEPH HIRSCHMAN,
Of Counsel.

Dated: New York, N. Y.,
September 14, 1945.

APPENDIX.

The Disclaimer Statutes.

SEC. 4917. (U. S. C., title 35, sec. 65.) Whenever, through inadvertence, accident, or mistake, and without any fraudulent or deceptive intention, a patentee has claimed more than that of which he was the original or first inventor or discoverer, his patent shall be valid for all that part which is truly and justly his own, provided the same is a material or substantial part of the thing patented; and any such patentee, his heirs or assigns, whether of the whole or any sectional interest therein, may, on payment of the fee required by law, make disclaimer of such parts of the thing patented as he shall not choose to claim or to hold by virtue of the patent or assignment, stating therein the extent of his interest in such patent. Such disclaimer shall be in writing, attested by one or more witnesses, and recorded in the Patent Office; and it shall thereafter be considered as part of the original specification to the extent of the interest possessed by the claimant and by those claiming under him after the record thereof. But no such disclaimer shall affect any action pending at the time of its being filed, except so far as may relate to the question of unreasonable neglect or delay in filing it.

SEC. 4922. (U. S. C., title 35, sec. 71.) Whenever, through inadvertence, accident, or mistake, and without any willful default, or intent to defraud or mislead the public, a patentee has, in his specification, claimed to be the original and first inventor or discoverer of any material or substantial part of the thing patented, of which he was not the original and first inventor or discoverer, every such patentee, his executors, administrators, and assigns, whether of the whole or any sectional interest in the

patent, may maintain a suit at law or in equity, for the infringement of any part thereof, which was bona fide his own, if it is a material and substantial part of the thing patented, and definitely distinguishable from the parts claimed without right, notwithstanding the specifications may embrace more than that of which the patentee was the first inventor or discoverer. But in every such case in which a judgment or decree shall be rendered for the plaintiff, no costs shall be recovered unless the proper disclaimer has been entered at the Patent Office before the commencement of the suit. But no patentee shall be entitled to the benefits of this section if he has unreasonably neglected or delayed to enter a disclaimer.

First Opinion of Circuit Court of Appeals for the Second Circuit (138 F. 2d 828).

UNITED STATES CIRCUIT COURT OF APPEALS

FOR THE SECOND CIRCUIT.

No. 128—October Term, 1943.

(Argued October 14, 1943 Decided November 5, 1943.)

HELEN S. CLAIR and JOHN H. LANE,

Appellees,

—*v.*—

KASTAR, INCORPORATED,

Appellant.

Appeal from a summary judgment of the District Court for the Southern District of New York, in favor of the plaintiffs upon claim two of Patent No. 1,577,821, issued on March 23, 1926 to William P. Campbell; and dismissing a counterclaim upon Patent No. 1,993,572, issued on March 5, 1935, to Louis Stark.

Before:

L. HAND, SWAN and FRANK,

Circuit Judges.

JOSEPH HIRSCHMAN, for the appellant.

C. W. PRINCE, for the appellees.

L. HAND, *Circuit Judge*:

The defendant appeals from a summary judgment, awarding damages and profits to the plaintiffs for the infringement of claim two of an expired patent for a "steering stabilizer" on motor-cars—No. 1,577,821 issued on March 23, 1926, to William P. Campbell—and dismissing a counterclaim for infringement by the plaintiffs of Patent No. 1,993,572, issued on March 5, 1935, to Louis Stark, also for such a 'stabilizer". On April 10, 1933, the plaintiffs who then, as now, were owners of the Campbell patent, sued a corporation, known as the Western Auto Supply Company, in the District Court for the Western District of Missouri, for the infringement of all the three claims of that patent; and on December 20, 1937, Judge Collet declared the claims invalid for want of invention; but held valid and infringed another patent on which the plaintiffs had sued in the same action. Both parties appealed to the Circuit Court of Appeals for the Eighth Circuit, but settled their controversies before the cause came on for argument, and the appeals were dismissed by consent on April 19, 1939. The defendant at bar was not a party to that action, nor did it undertake its defence. Shortly thereafter, the plaintiffs began two other actions in the same court against customers of the defendant; again upon all three claims of the Campbell patent: on June 29, 1939, against Sears, Roebuck & Co.; on July 10, 1939, against Montgomery Ward & Co. The defendant intervened in these and openly undertook and carried through the defence of both; they were consolidated, and it will be convenient to speak of them as one. During its prosecution the plaintiffs withdrew claims one and three, leaving in suit only claim two, which Judge Otis held valid and infringed on February 18, 1941. The defendant appealed from this judgment to the Circuit Court of Appeals, but without success and the mandate of affirmance went down

on January 26, 1942. The present action—once more upon all three claims of the Campbell patent—was filed on January 5th, 1943. The district judge held that Judge Otis's judgment was res judicata as to the validity of claim two and as to the defences of fraud and laches which the defendant pleaded in this action; but, since the patent had expired, he directed only an accounting. He did not discuss the issue of disclaimer on which the defendant also now relies, because the answer had not pleaded it; but after his opinion went down, the defendant moved for a reargument upon the ground that the plaintiffs had never disclaimed claims one or three, although over eleven months had passed between the decision of the Eighth Circuit in the action before Judge Otis, and the filing of the action at bar. The judge granted the reargument but adhered to his former opinion.

The defendant concedes, and must concede, that after the dismissal of the appeal in the action against the Western Auto Supply Company, the plaintiffs need not have disclaimed; indeed they could not have done so, for they had nothing to disclaim. All three claims having been declared invalid, nothing was left to save, and the statute (§65, Title 35, U. S. C.), provides that the patentee's "patent shall be valid for all that part which is truly and justly his own." As was their right, they therefore again declared upon all three claims in the action before Judge Otis. The first question is whether they are bound to disclaim claims one and three within a reasonable time after they had withdrawn them in that action. If they were, they can plausibly argue that the defendant should have pleaded their neglect to do so as a defence in the action before Judge Otis; and that, having failed to do so, it was estopped by that judgment which was conclusive, not only as to what it actually decided, but as to whatever else it might have decided. That would depend upon whether the action at bar is upon the

same "claim," or "cause of action," as the action before Judge Otis, a question not free from uncertainty. We need not decide it, because even if it is upon the same "cause of action," the plaintiffs' withdrawal of claims one and three did not impose upon them the duty to disclaim, and their neglect to do so could not have been pleaded in bar. Judge Collet's judgment that claim two was invalid still remained the last word; the withdrawal of claims one and three in no sense made its validity more probable; and the plaintiffs were no more bound to disclaim than they had been before they filed the action before Judge Otis. Their duty to disclaim could not arise at the earliest until the Eighth Circuit affirmed Judge Otis's judgment, or perhaps not until a reasonable period after the defendant's time had expired to apply for certiorari.

But, although, for the reasons just given, the plaintiffs were under no duty to disclaim until the action before Judge Otis had come completely to an end, that duty may then have arisen, and their neglect to discharge it have invalidated the Campbell patent. This follows from *Ensten* v. *Simon*, 282 U. S. 445. In that case the district court had held several claims of a patent valid and one claim invalid. An appeal lay to the circuit court of appeals from each part of the decree, and the defendant did appeal, but the plaintiff did not. After the judgment of the district court had been affirmed, the defendant moved to dismiss the action on the ground that the plaintiff should have disclaimed the claim which the district court had held invalid, within a reasonable time after the circuit court of appeals had held the other claims valid. The argument was that, since it then appeared that part of the patent was valid and part invalid, the situation covered by the statute at once arose. This we had held (38 Fed. [2] 71), following *Hoe & Co.* v. *Goss Printing Co.*, 31 Fed. (2) 565 (C. C. A. 2) and the Su

preme Court affirmed our decree. We had earlier held in *Page Machinery Company* v. *Dow, Jones & Co.*, 168 Fed. Rep. 703, that a patentee need not disclaim claims which had been declared invalid by the district court, after the affirmance by the circuit court of appeals of a holding in the same action that other claims of the same patent were valid. *Ensten* v. *Simon, supra* (282 U. S. 445) overruled that decision, though—as we had pointed out in *Hoe & Co.* v. *Goss Printing Co., supra* (31 Fed. [2] 565)—only because the patentee, by a change in the law, had then become able to appeal from that part of the decree which held any of his claims invalid.

Thus, if a patentee has had an opportunity to review a decision holding some claims of his patent invalid and some valid, and if he fails to avail himself of that opportunity, he must disclaim the claims held invalid within a reasonable time after the appellate court affirms so much of the judgment as holds any of the claims valid. Although it cannot be known until then that any part of the patent is valid and although not until then does the duty arise (*Triplett* v. *Lowell*, 297 U. S. 638), then it does arise, and he delays any longer at the peril of losing his whole patent. The duty of the plaintiff at bar to disclaim therefore depended upon whether they could have obtained a review of Judge Collet's ruling upon claims one and three in the action before Judge Otis. Although they had alleged that the defendants in that action infringed those claims as well as claim two, that did not indeed conclude them; but, if the same "stabilizers" which were found to infringe claim two, did in fact infringe claims one or three, they withdrew either of those claims at their peril. It was their last chance to save them. Whether the "stabilizers" did infringe either claim one or three was not tried in the motion for summary judgment, and could scarcely have been properly so tried. Although the judgment must therefore be reversed, the

issue must be tried whether the "stabilizers" infringed either of those claims; or, what is in effect the same thing, whether there was any substantial difference between either of them and claim two. *Maytag Company* v. *Hurley Machine Co.*, 307 U. S. 243.

Upon the other defences—fraud and laches—we shall not pass; it may well be that their decision will prove unnecessary, and in any event the facts will probably be more fully disclosed upon the trial.

We are not sure that we understand on what theory the plaintiffs support the dismissal of the counterclaim for infringement of the Stark patent; and the judge gave no reasons. We infer their position to be that the defendant was bound under Rule 13(a) to plead any counterclaim upon that patent in the action before Judge Otis, and that, having failed to do so, that judgment is a bar here. The defendant makes two answers to this, to which we will only allude, for on their validity we need not pass. The first is that a manufacturer who undertakes the defence of his customers, cannot plead as a counterclaim the infringement of a patent of his own; the second is that the plaintiffs did not in fact infringe the Stark patent until after judgment had been entered in the action before Judge Otis. It is enough for the reversal of this part of the judgment that, even though we were to declare both these answers insufficient, the "cause of action," or "claim," involved in the infringement of the Stark patent did not "arise out of the transaction or occurrence" that was the subject-matter of the plaintiffs' complaint. That "transaction or occurrence" was the use, manufacture or sale of the defendant's "stabilizers" by its customers; the "transaction or occurrence" out of which the counterclaim arose was the use, manufacture or sale by the plaintiffs of their own "stabilizers." These "transactions" and "occurrences" had nothing to do with each other. The plaintiffs may be

right that if the Campbell patent is valid, and if the defendant infringed it when it made or sold its "stabilizers," it could recover no damages or profits from the plaintiffs, if "stabilizers" made or sold by them infringed the Stark patent. But they are certainly not right in supposing that the defendant would have no right to an injunction; it is scarcely necessary at this day once more to expose the fallacy that a patent gives any right to the patentee to practice his disclosure; it merely enables him to stop others from practising it. Moreover, if the Campbell patent has become invalid, the hypothesis on which the argument depends is untrue, and if the Stark patent proves valid, the defendant will be able also to recover damages and profits, at least for the period after the neglect to disclaim became effective.

The judgment will be reversed, and the cause will be remanded for further proceedings in accordance with the foregoing.

Judgment reversed.

Office - Supreme Court, U. S.
FILED
OCT 8 1945
CHARLES ELMORE CROPLEY
CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1945

No. 432

KASTAR, INCORPORATED,

Petitioner,

v.

HELEN S. CLAIR and JOHN H. LANE, copartners doing business under the name and style of ANTI-SHIMMIE MANUFACTURING COMPANY,

Respondents.

BRIEF ON BEHALF OF HELEN S. CLAIR AND JOHN H. LANE IN OPPOSITION TO PETITION OF KASTAR, INCORPORATED FOR A WRIT OF CERTIORARI

JOHN H. GLAECUM,
Counsel for Respondent.

MUNN, LIDDY & GLAECUM,
C. W. PRINCE,
of Counsel.

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Statement of the Case

The case in which this honorable court is asked to grant a writ of certiorari grows out of a suit for infringement of the Campbell patent, No. 1,577,821, issued on March 23, 1926. The last decision was the decision of the United States Court of Appeals for the Second Circuit rendered on April 6, 1945. The present petition was filed on the 15th day of September, 1945. The Campbell patent was for a stabilizing device to be applied to the steering mechanism of an automobile between the steering rod and axle to prevent shimmying, that is, wobbling of the front wheels.

The Campbell patent was involved in litigation instituted in the United States District Court for the Western District of Missouri on April 10, 1933, in a suit for infringement brought by these plaintiffs against the Western Auto Supply Company. The case was tried before Judge Collet and, on December 9, 1937, he held the Campbell patent invalid for lack of invention. At the same time he held another patent, owned by the plaintiffs, the Dyer patent, not here involved, valid and infringed "particularly the first claim thereof." Both parties appealed to the Circuit Court of Appeals for the Eighth Circuit, but settled the controversy and the appeals were dismissed on stipulation on April 12, 1939. Plaintiffs then instituted two new suits on both patents against Sears Roebuck & Company on June 29, 1939 and against Montgomery Ward & Company on July 10, 1939, in the District Court of the United States for the Western District of Missouri. The suits were tried before Judge Otis. Prior to the trial thereof the plaintiffs, in a Bill of Particulars, limited its cause of action to claim 2 of the Campbell patent and claim 1 of the Dyer patent since these were the only claims infringed. Judge Otis decided that the Dyer patent and the Campbell patent were valid and that claim 1 of the Dyer patent and claim 2 of the Campbell patent were infringed by the stabilizers sold by the defendants, Sears Roebuck & Company and Montgomery Ward & Company, which were models Nos. 73 and 74 manufactured by the present defendant Kastar, Incorporated. In fact the present defendant undertook the defense of those two suits. A decree was entered February 18, 1941.

The Circuit Court of Appeals for the Eighth Circuit affirmed Judge Otis, January 26, 1942, as to claim 2 of the Campbell patent. The last act in that litigation was a dismissal of an application to compel the District Court to carry out the mandate of the Circuit Court of Appeals. This was dated June 26, 1942.

The present suit was instituted in December of 1942. Plaintiffs moved on February 23, 1943 for a Summary Judgment on the ground that the issues, except as to damages, were *res adjudicata*. The defendant, in answering, filed a counterclaim and pleaded special defenses including laches and fraud. Plaintiff also moved that the counterclaim be dismissed. The defendant made a cross motion to dismiss the Complaint on the grounds that the Campbell patent was void because the plaintiff had not timely disclaimed claims 1 and 3 thereof. The District Judge denied defendant's motion and granted the plaintiffs' motion. The defendant appealed to the Circuit Court of Appeals for the Second Circuit. In discussing the basis for the decision of the District Judge, Judge Learned Hand wrote (138 F. 2d 828):

> "The District Judge held that Judge Otis' judgment was res judicata as to the validity of claim 2 and as to the defences of fraud and laches which the defendant pleaded in this action; but since the patent had expired, he directed only an accounting. He did not discuss the issue of disclaimer on which the defendant also now relies, because the answer had not pleaded it; but after his opinion went down, the defendant moved for a reargument upon the ground that the though over eleven months had passed between the decision of the Eighth Circuit in the action before Judge Otis, and the filing of the action at bar. The judge granted the reargument but adhered to his former opinion."

In discussing the question of disclaimer the Court stated:

> "Thus, if a patentee has had an opportunity to review a decision holding some claims of his patent invalid and some valid, and if he fails to avail himself of that opportunity, he must disclaim the claims held invalid within a reasonable time after the appellate court affirms so much of the judgment as holds any of the claims valid. Although it cannot be known until then that any part of the patent is valid and although not until then does the duty arise (Triplett v. Lowell,

297 U. S. 638), then it does arise, and he delays any longer at the peril of losing his whole patent. The duty of the plaintiffs at bar to disclaim therefore depended upon whether they could have obtained a review of Judge Collet's ruling upon claims one and three in the action before Judge Otis. Although they had alleged that the defendants in that action infringed those claims as well as claim two, that did did indeed conclude them; but, if the same 'stabilizers' which were found to infringe claim two, did in fact infringe claims one or three, they withdrew either of those claims at their peril. It was their last chance to save them. Whether the 'stabilizers' did infringe either claim one or three was not tried in the motion for summary judgment, and could scarcely have been properly so tried. Although the judgment must therefore be reversed, the issue must be tried whether the 'stabilizers' infringed either of those claims; or, what is in effect the same thing, whether there was any substantial difference between either of them and claim two. *Maytag* v. *Hurley Machine Co.*, 307 U. S. 243."

The Circuit Court of Appeals also referred to the trial court the issues involved in the defense of fraud and laches and the propriety of the defendant's counterclaim under the Stark patent. On the trial the defendant withdrew the counterclaim and the defense based on alleged fraud, which were obviously interposed solely for the purpose of delay. The defendant offered no evidence on the question of laches that was not before the Court in the Missouri case and this defense was dismissed. That left only the question of whether or not the defendants' stabilizers, Models Nos. 73 and 74, infringed claims 1 and 3 of the Campbell patent and that is the sole issue before this court. If the defendants' device did infringe claims 1 and 3, then the plaintiff-appellants had an opportunity to litigate them and should either have litigated them or disclaimed them. If the claims were not infringed plaintiff had no opportunity to litigate them and was under no duty to disclaim.

The Court of Appeals held that claims 1 and 3 of the Campbell patent were not infringed by the defendants' devices (R. 165) and, therefore, the plaintiffs could not have litigated and that they could not have properly answered defendants' request for a Bill of Particulars without limiting the actions to claim 2. At page 165 the court stated:

> "We have suggested, though we do not decide, that the plaintiffs were also under a duty to press these claims in the 'Otis actions,' even though we concluded that they would have been unsuccessful, had they done so. If they were under such a duty, it could only arise in case we thought that the effort had some reasonable chance of success. We can only repeat the reasons which we have just given to show that the exhibits did not in fact infringe; and add that they seem to us so plain as to excuse the plaintiffs from the attempt. For these reasons we hold that they were right to withdraw Claims One and Three from the 'Otis actions,' and that the defendant was estopped by the judgment."

Several times in the petition and in the brief in support thereof, petitioner refers to an alleged eleven month period between the issuance of the mandate of the Court of Appeals for the Eighth Circuit and the commencement of the present action. We believe it only fair to point out that the last action in the Missouri litigation was the denial by the Circuit Court of Appeals of a motion to compel the District Court to conform with the mandate. This denial was dated June 26, 1942.

In its petition, petitioner cites *Ensten* v. *Simon Ascher & Co.*, 282 U. S. 445, 75 L. Ed. 453; *Triplett* v. *Lovell*, 297 U. S. 638; and *Maytag* v. *Hurley Machine Co.*, 307 U. S. 243—three clear-cut decisions of this court defining the laws as to disclaimers. These cases were all considered by the Circuit Court of Appeals for the Second Circuit. Petitioner endeavors to find some conflict in the present

case with those decisions, but we submit that there is no conflict and that when these decisions are applied to the facts in the present case it will be found that the Circuit Court of Appeals properly followed these decisions.

Ensten v. *Simon Ascher & Co.*, 282 U. S. 445, 75 L. Ed. 453.

In the case of Ensten v. Rich-Sampliner Co., the District Court held certain claims valid and infringed and Claim 2 of the patent in suit invalid. The validity of the claims held valid was affirmed by the Circuit Court of Appeals but no disposition was made of Claim 2. More than two years later Ensten entered a disclaimer as to Claim 2, which act constituted an acquiescence in the holding of invalidity. Thereafter the patentee sought a preliminary injunction against Simon Ascher & Co. in the Second Circuit. The action of the trial court in dismissing the Bill because of unreasonable delay in filing the disclaimer was sustained by the Supreme Court. In the present instance your respondent has never acquiesced in the holding of invalidity and, as will be pointed out hereafter, the effect of the decisions in the Missouri courts was to hold the entire patent valid.

Triplett et al. v. *Lowell et al.*, 297 U. S. 638, 80 L. Ed. 949.

In the Triplett case the Circuit Court of Appeals for the Third Circuit held Claim 9 of one patent and two claims of another patent invalid. Disclaimers were filed, not of the claims, but disclaimers of the type which tend to limit the claims. These were held to be inadequate. There this court considered a number of cases and found that in each of these cases the plaintiffs' conduct showed acquiescence in the decision as to invalidity.

The court held that since there was no acquiescence or admission of invalidity the patent was not invalid. In af-

firming the Circuit Court of Appeals for the Fourth Circuit this court made certain very definite statements:

(P. 641) "In reaching its decision the Court of Appeals assumed, as we shall assume without deciding, that the disclaimers were inadequate because they failed to concede invalidity of the adjudicated claims."

(P. 642) "Neither reason nor authority supports the contention that an adjudication adverse to any or all the claims of a patent precludes another suit upon the same claims against a different defendant. While the earlier decision may by comity be given great weight in a later litigation and thus persuade the Court to render a like decree, it is not res adjudicata and may not be pleaded as a defense. See Mast, Foos & Co. v. Stover Mfg. Co. 177 U. S. 485, 44 L. Ed. 856; Sanitary Refrigerator Co. v. Winters, 280 U. S. 30, 35, 74 L. Ed. 147."

(P. 644) "It follows that want of disclaimer of claims previously held invalid can never be set up as a bar in limine to the maintenance of a second suit upon those claims and any others of the patent since the patentee is entitled to invoke in that suit the independent judgment of the Court upon the validity of the claims which have been held invalid. In advance of its decision as to validity that Court cannot consistently hold that there is necessity for disclaiming claims which, although previously adjudged invalid, it may hold to be valid."

(P. 645) "The disclaimer statute is remedial and intended for the protection of both the patentee and the public. See O'Reilly v. Morse, 15 How. 62, 121, 14 L. Ed. 601. Both are protected by the construction which we adopt and which we think is the only admissible one. The patentee is free to preserve some of the claims of his patent by disclaiming others which have been held invalid; *but the statute does not force him to pay that price in order to save them.* He may relinquish the privilege of disclaimer and proceed to relitigate in another Court, the claims which have been declared to be invalid but at the

risk of loss in that Court of the other claims of the patent even though valid, if it likewise holds invalid the previously adjudicated claims." (Italics supplied.)

(P. 645) "* * * the intimation of the Court below that the second suit must be brought within a reasonable time is without support, for if in that Court the claims are upheld, there is nothing to disclaim and the statute does not apply."

Moreover it is not necessary that the suit be in a different Circuit. The Court said:

(P. 648) "The fact that the suit was brought in the same Circuit where the Court of Appeals had previously held some of the claims invalid is immaterial, for the Court must decide whether the issues of law and fact in the two cases are the same, and if they are not, it is not bound by the earlier decision."

When the facts in the present suit are considered it will be found that the Second Circuit Court of Appeals followed the decision in the Triplett case correctly and that there is no issue to be decided.

Maytag Company v. *Hurley Machine Co.*, 307 U. S. 243, 83 L. Ed. 1264.

Petitioner argues that the decision of the court below cannot be reconciled with the Maytag case. It is submitted that the Maytag case has no bearing on the facts in the present litigation. In the Maytag case three claims, 23, 26 and 38, were held invalid. Claims 23 and 26 were apparatus claims and 38 a method claim. There were in addition two other method claims, 1 and 39. Instead of asserting the validity of claim 38 in another court against a different defendant, the defendant disclaimed claims 1 and 38 but did not disclaim claim 39. In other words, the patent owner acquiesced in the decision of invalidity as to the method covered by claims 1 and 38. The court

held that since the patentee had acquiesced in the invalidity to finding claims 1 and 38 and since claim 39 covered the identical method as claim 38 that claim 39 and the entire patent was invalid. It is the position of respondent that the Maytag case only applies where there has been an acquiescence in a decision of invalidity and where an insufficient disclaimer has been filed. In the present instance there has never been an acquiescence in Judge Collet's decision, but respondent has always asserted the validity of its patent.

The Effect of the Decisions of Judge Otis and of the Circuit Court of Appeals for the Eighth Circuit

The patent in suit was originally before Judge Collet—the case of *Clair and Lane* v. *Western Auto Supply Company*. Judge Collet handed down an opinion which is published in 35 U. S. P. Q. at 325. This opinion directed a decree for the plaintiff and, while it discussed the Campbell patent as a simplified device utilizing the same principles and accomplishing the same result as the Dyer patent, it did not specifically hold the Campbell patent invalid. At page 542 of the same volume of 35 U. S. P. Q. a supplemental opinion was filed in which Judge Collet quoted from his original memorandum as follows:

> "The Campbell patent represents no idea or method which is not found in the earlier Dyer patent. The foremost distinction lies solely in its comparative simplicity and economy of production."

Judge Collet then held the patent invalid for want of invention. This decision did not distinguish between the claims of the patent but indicates that Judge Collet thought the Campbell patent, as a whole, did not amount to invention. In the Montgomery Ward and Sears Roebuck cases in the same court but before Judge Otis, the same question was considered (36 F. Supp. 664). There

Judge Otis stated:

> "The Campbell patent was an improvement on the Dyer patent. Each was intended to prevent shimmying or wobbling in automobiles. While the Campbell patent embodied the same principles as the Dyer patent, the former was cheap, simple, attachable without tools to an automobile, workable in a high degree (several hundred thousand were sold in a single year), the latter was expensive, complex, could not be attached to an automobile except with difficulty and only with alteration in the parts of the automobile, and was never used. Certainly invention is involved in such a simplification as makes that available which was not available, which makes that useful which was not useful, which creates a demand by hundreds of thousands for what before was demanded by none. *General Electric Supply Co.* v. *Maytag Co.*, 8 Cir., 100 F. 2d 218."

It is apparent from that and what follows that while, in considering the question of infringement only claim 2 was under consideration, that in considering the question of validity the entire patent and invention was considered. The decrees entered, Exhibits 3 and 4, both contained the following paragraph (R. 116, 118):

> "First: That United States Letters Patent No. 1,317,912, granted to T. C. Dyer, October 7, 1919, known as the Dyer patent, and United States Letters Patent No. 1,577,821, granted to W. P. Campbell, March 23, 1926, known as the Campbell patent, *are good and valid* and are the property of the plaintiffs herein." (Italics supplied.)

Judge Collet in his opinion did not discuss the claim of the patent but treated the invention as a whole. Judge Otis considered and discussed two phases—first the question of the invention, and thereafter the question of infringement of claim 2 of the Campbell patent. Claims 1 and 3 of the Campbell patent are narrower in scope than claim 2 and the effect of Judge Otis' opinion and decree is to nullify that of Judge Collet. The Circuit Court of

Appeals for the Eighth Circuit on appeal from Judge Otis' decision likewise considered at length first the question of validity (123 F. 2d 878, 880, 881) and thereafter the question of infringement. It is submitted that the foregoing of itself differentiates this case from the case requiring the filing of a disclaimer and it certainly cannot be said that the plaintiffs ever acquiesced in the holding of invalidity.

Petitioner throughout its brief refers to respondent's "failure" to relitigate claims 1 and 3 and its "refusal to relitigate." The record is clear that the claims were not infringed and therefore could not be relitigated. It was the defendants' action in filing its demand for a Bill of Particulars that narrowed the issue to claim 2 and it was in response to this demand for a Bill of Particulars that the respondent withdrew claims 1 and 3.

By way of conclusion it is submitted that there is no conflict between the decision of the Circuit Court of Appeals for the Second Circuit and the principles laid down by this court in *Enstein* v. *Simon Ascher & Co.* and the *Triplett* and *Maytag* cases. Respondent here never acquiesced in Judge Collet's opinion. It promptly relitigated its patent. Claims 1 and 3 not being infringed could not be specifically considered.

CONCLUSION

Wherefore, it is respectfully submitted that the petition for writ of certiorari in this case should be denied.

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